

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

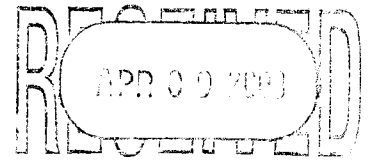
ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

R

W-01380A
Ray Water Company
414 North Court
Tucson AZ 85701

ANNUAL REPORT

ARIZONA CORPORATION
COMMISSION



Director of Finance

FOR YEAR ENDING

12	31	2002
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FOR COMMISSION USE

ANN 04 02

*2.6.03
4-9-03
C.M.
2002
assessments
ab updated
C.M.*

COMPANY INFORMATION

Company Name (Business Name) <u>Ray Water Company</u>		
Mailing Address <u>414 North Court Avenue</u>		
<u>Tucson</u> (City)	<u>AZ</u> (State)	<u>85701</u> (Zip)
<u>520-623-1332</u> Telephone No. (Include Area Code)	<u>520-623-2302</u> Fax No. (Include Area Code)	<u>N/A</u> Pager/Cell No. (Include Area Code)
Email Address <u>N/A</u>		
Local Office Mailing Address <u>414 North Court Avenue</u>		
<u>Tucson</u> (City)	<u>AZ</u> (State)	<u>85701</u> (Zip)
<u>520-623-1332</u> Local Office Telephone No. (Include Area Code)	<u>520-623-2302</u> Fax No. (Include Area Code)	<u>N/A</u> Pager/Cell No. (Include Area Code)
Email Address <u>N/A</u>		

MANAGEMENT INFORMATION

Management Contact: <u>Dorleen Mallis</u>		<u>President</u>	
(Name)		(Title)	
<u>414 North Court Avenue</u> (Street)	<u>Tucson</u> (City)	<u>AZ</u> (State)	<u>85701</u> (Zip)
<u>520-623-1332</u> Telephone No. (Include Area Code)	<u>520-623-2302</u> Fax No. (Include Area Code)	<u>N/A</u> Pager/Cell No. (Include Area Code)	
Email Address <u>N/A</u>			
On Site Manager: <u>Rhonda Rosenbaum</u>			
(Name)			
<u>414 North Court Avenue</u> (Street)	<u>Tucson</u> (City)	<u>AZ</u> (State)	<u>85701</u> (Zip)
<u>520-623-1332</u> Telephone No. (Include Area Code)	<u>520-623-2302</u> Fax No. (Include Area Code)	<u>N/A</u> Pager/Cell No. (Include Area Code)	
Email Address <u>N/A</u>			

See Accountants' Compilation Report.

Statutory Agent: <u>Rhonda Rosenbaum</u>			
(Name)			
<u>414 North Court Avenue</u>	<u>Tucson</u>	<u>AZ</u>	<u>85701</u>
(Street)	(City)	(State)	(Zip)
<u>520-623-1332</u>	<u>520-623-2302</u>	<u>N/A</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Attorney: <u>Hugh Holub</u>			
(Name)			
<u>3 Placita de Anza</u>	<u>Tubac</u>	<u>AZ</u>	<u>85646</u>
(Street)	(City)	(State)	(Zip)
<u>520-377-8259</u>			
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

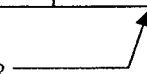
- | | | |
|-------------------------------------|--|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input checked="" type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME

Ray Water Company

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	N/A	N/A	N/A
302	Franchises	700	-0-	700
303	Land and Land Rights	1,540	-0-	1,540
304	Structures and Improvements	13,781	8,021	5,760
307	Wells and Springs	302,936	144,972	157,964
311	Pumping Equipment	127,575	31,696	95,879
320	Water Treatment Equipment	N/A	N/A	N/A
330	Distribution Reservoirs and Standpipes	172,489	79,966	92,523
331	Transmission and Distribution Mains	602,118	333,458	268,660
333	Services	63,680	24,297	39,383
334	Meters and Meter Installations	105,182	61,365	43,817
335	Hydrants	75,337	17,459	57,878
336	Backflow Prevention Devices	N/A	N/A	N/A
339	Other Plant and Misc. Equipment	2,902	1,231	1,671
340	Office Furniture and Equipment	13,143	1,468	11,675
341	Transportation Equipment	28,000	4,900	23,100
343	Tools, Shop and Garage Equipment	671	440	231
344	Laboratory Equipment	N/A	N/A	N/A
345	Power Operated Equipment	N/A	N/A	N/A
346	Communication Equipment	694	434	260
347	Miscellaneous Equipment	1,253	783	470
348	Other Tangible Plant	N/A	N/A	N/A
	TOTALS	1,512,001	710,490	801,511

This amount goes on the Balance Sheet Acct. No. 108 

See Accountants' Compilation Report.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	N/A	N/A	N/A
302	Franchises	700	N/A	N/A
303	Land and Land Rights	1,540	N/A	N/A
304	Structures and Improvements	13,781	5.0%	708
307	Wells and Springs	302,936	5.0%	14,736
311	Pumping Equipment	127,575	5.0%	6,379
320	Water Treatment Equipment	N/A	N/A	N/A
330	Distribution Reservoirs and Standpipes	172,489	5.0%	6,530
331	Transmission and Distribution Mains	602,118	5.0%	22,014
333	Services	63,680	5.0%	3,114
334	Meters and Meter Installations	105,182	5.0%	3,066
335	Hydrants	75,337	5.0%	3,003
336	Backflow Prevention Devices	N/A	N/A	N/A
339	Other Plant and Misc. Equipment	2,902	5.0%	145
340	Office Furniture and Equipment	13,143	5.0%	630
341	Transportation Equipment	28,000	5.0%	1,400
343	Tools, Shop and Garage Equipment	671	5.0%	34
344	Laboratory Equipment	N/A	N/A	N/A
345	Power Operated Equipment	N/A	N/A	N/A
346	Communication Equipment	694	5.0%	35
347	Miscellaneous Equipment	1,253	5.0%	63
348	Other Tangible Plant	N/A	N/A	N/A
	TOTALS	1,512,001		61,857

This amount goes on Comparative Statement of Income and Expense
Acct. No. 403.

See Accountants' Compilation Report.

Less amortization
of contributions
in aid of con-
struction (2,663)
Net Depr. 59,194

COMPANY NAME	Ray Water Company
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BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 21,501	\$ 27,736
134	Working Funds	N/A	N/A
135	Temporary Cash Investments	292,998	419,177
141	Customer Accounts Receivable	24,603	57,712
146	Notes/Receivables from Associated Companies	N/A	N/A
151	Plant Material and Supplies	N/A	N/A
162	Prepayments	15,671	1,760
174	Miscellaneous Current and Accrued Assets	10,814	9,306
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 365,587	\$ 515,691
	FIXED ASSETS		
101	Utility Plant in Service	\$ 1,413,589	\$ 1,512,001
103	Property Held for Future Use	N/A	N/A
105	Construction Work in Progress	82,361	20,005
108	Accumulated Depreciation – Utility Plant	656,025	710,490
121	Non-Utility Property	N/A	N/A
122	Accumulated Depreciation – Non Utility	N/A	N/A
	TOTAL FIXED ASSETS	\$ 839,925	\$ 821,516
	TOTAL ASSETS	\$ 1,205,512	\$ 1,337,207

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

See Accountants' Compilation Report.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$ 12,341	\$ 4,747
232	Notes Payable (Current Portion)	-0-	-0-
234	Notes/Accounts Payable to Associated Companies	-0-	-0-
235	Customer Deposits	46,594	47,572
236	Accrued Taxes	24,740	33,606
237	Accrued Interest	-0-	-0-
241	Miscellaneous Current and Accrued Liabilities	-0-	24,180
	TOTAL CURRENT LIABILITIES	\$ 83,675	\$ 110,105
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ -0-	\$ -0-
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$ -0-	\$ -0-
252	Advances in Aid of Construction	283,693	280,537
255	Accumulated Deferred Investment Tax Credits	7,942	6,978
271	Contributions in Aid of Construction	23,505	51,216
272	Less: Amortization of Contributions	-0-	-0-
281	Accumulated Deferred Income Tax	22,994	19,295
	TOTAL DEFERRED CREDITS	\$ 338,134	\$ 358,026
	TOTAL LIABILITIES	\$ 421,809	\$ 468,131
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 16,000	\$ 16,000
211	Paid in Capital in Excess of Par Value	41,333	41,333
215	Retained Earnings	726,370	811,743
218	Proprietary Capital (Sole Props and Partnerships)	-0-	-0-
	TOTAL CAPITAL	\$ 783,703	\$ 869,076
	TOTAL LIABILITIES AND CAPITAL	\$ 1,205,512	\$ 1,337,207

See Accountants' Compilation Report.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 484,849	\$ 542,113
460	Unmetered Water Revenue	-0-	-0-
474	Other Water Revenues	12,754	11,729
	TOTAL REVENUES	\$ 497,603	\$ 553,842
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 158,855	\$ 161,200
610	Purchased Water	-0-	-0-
615	Purchased Power	56,179	61,308
618	Chemicals	-0-	-0-
620	Repairs and Maintenance	10,015	3,608
621	Office Supplies and Expense	2,817	4,632
630	Outside Services	20,483	28,308
604635x	Water Testing Emp. Pension & Benefits-SEP	-0-	24,180
641	Rents	20,000	20,000
650	Transportation Expenses	3,182	3,239
657	Insurance - General Liability	4,002	6,031
659	Insurance - Health and Life	-0-	-0-
666	Regulatory Commission Expense - Rate Case	5,000	-0-
675	Miscellaneous Expense	15,969	12,890
403	Depreciation Expense	71,374	59,194
408	Taxes Other Than Income	12,708	13,467
408.11	Property Taxes	37,402	36,158
409	Income Tax	37,049	39,762
	TOTAL OPERATING EXPENSES	\$ 455,035	\$ 473,977
	OPERATING INCOME/(LOSS)	\$ 42,568	\$ 79,865
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 12,398	\$ 5,633
421	Non-Utility Income	-0-	-0-
426	Miscellaneous Non-Utility Expenses	(3,509)	(124)
427	Interest Expense	(1,170)	-0-
	TOTAL OTHER INCOME/(EXPENSE)	\$ 7,719	\$ 5,509
	NET INCOME/(LOSS)	\$ 50,287	\$ 85,374

See Accountants' Compilation Report.

COMPANY NAME

Ray Water Company

SUPPLEMENTAL FINANCIAL DATA**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$ -0-	\$ -0-	\$ -0-	\$ -0-

Meter Deposit Balance at Test Year End

\$ 11,921

Meter Deposits Refunded During the Test Year

\$ 615

See Accountants' Compilation Report.

COMPANY NAME	Ray Water Company
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WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-609462	30	175	310	10"	6" FM	1957
55-609464	40	300	464	12"	6" FM	1969
55-609465	60	425	425	12"	6" FM	1973
55-609466	30	260	353	12"	4" FM	1963
55-800420	60	350	680	12"	6" FM	1983
55-535561	40	300	500	12"	6" FM	1992

- Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
25	1	50	N/A
20	1		
15	3		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
50,000	4	5,000	4
90,000	1	6,000	1
		1,000	1

See Accountants' Compilation Report.

COMPANY NAME	Ray Water Company
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WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS		
Size (in inches)	Material	Length (in feet)
2	N/A	N/A
3	AC	9,730
4	AC	29,900
5	N/A	N/A
6	AC	24,780
8	AC	4,410
10	N/A	N/A
12	N/A	N/A
4	PVC 900	560
6	PVC 900	11,620
8	PVC 900	5,586

CUSTOMER METERS	
Size (in inches)	Quantity
5/8 X 3/4	1,031
3/4	N/A
1	24
1 1/2	3
2	10
Comp. 3	N/A
Turbo 3	1
Comp. 4	3
Tubo 4	1
Comp. 6	1
Tubo 6	N/A

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

N/A

STRUCTURES:

Cyclone/razor wire fencing around all six well sites.
 50 sq. ft. storage building at well #4.

OTHER:

Office furniture and equipment, computers
 Miscellaneous field equipment.

See Accountants' Compilation Report.

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2002

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	1,071	14,125,000	13,902
FEBRUARY	1,073	11,955,000	13,289
MARCH	1,073	12,875,000	16,470
APRIL	1,077	15,577,000	20,132
MAY	1,077	22,995,000	25,993
JUNE	1,082	21,467,000	25,529
JULY	1,081	30,055,000	25,752
AUGUST	1,078	18,901,000	27,266
SEPTEMBER	1,082	21,707,000	15,291
OCTOBER	1,084	14,401,000	16,543
NOVEMBER	1,077	15,375,000	18,746
DECEMBER	1,074	16,443,000	14,420
TOTAL		N/A	233,333

215,876,000

Is the Water Utility located in an ADWR Active Management Area (AMA)?

(X) Yes () No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

(X) Yes () No

If yes, provide the GPCPD amount: 121 GPCPD

* What is the level of arsenic for each well on your system. _____ mg/l

(If more than one well, please list each separately)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

* Point of Entry

Level

#1	.0032 mg/l
#2	.0047 mg/l
#3	.0030 mg/l
#4	.0084 mg/l
#5	.0003 mg/l

See Accountants' Compilation Report.

COMPANY NAME Ray Water Company YEAR ENDING 12/31/2002

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2002 was: \$ 36,780.00

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

See Accountants' Compilation Report.

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>133,364</u>
Estimated or Actual Federal Tax Liability	<u>35,262</u>
State Taxable Income Reported	<u>146,675</u>
Estimated or Actual State Tax Liability	<u>10,220</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>None</u>
Amount of Gross-Up Tax Collected	<u>None</u>
Total Grossed-Up Contributions/Advances	<u>None</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

X *Dorleen Mallis*
SIGNATURE

X 4/7/03
DATE

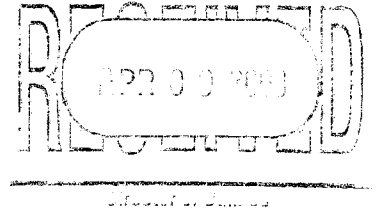
Dorleen Mallis
PRINTED NAME

President
TITLE

See Accountants' Compilation Report.

VERIFICATION AND SWORN STATEMENT

Intrastate Revenues Only

**VERIFICATION**STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Pima
NAME (OWNER OR OFFICIAL) TITLE	Dorleen Mallis, President
COMPANY NAME	Ray Water Company

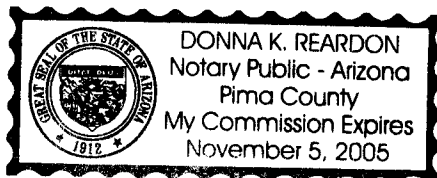
DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2002 WAS:



Arizona IntraState Gross Operating Revenues Only (\$)

\$ 585,355

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 31,513
IN SALES TAXES BILLED, OR COLLECTED

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Dorleen Mallis
SIGNATURE OF OWNER OR OFFICIAL
520-623-1332
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

7th

DAY OF

(SEAL)

MY COMMISSION EXPIRES

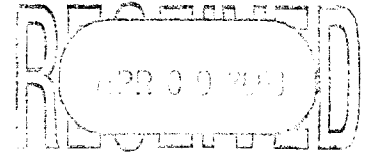
11-5-2005

COUNTY NAME	PIMA
MONTH	APRIL 2003
<i>[Signature]</i> SIGNATURE OF NOTARY PUBLIC	

See Accountants' Compilation Report.

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

ARIZONA CORPORATION
COMMISSION



VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) Pima	
NAME (OWNER OR OFFICIAL) Dorleen Mallis	TITLE President
COMPANY NAME Ray Water Company	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2002 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ 489,949

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 26,916
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

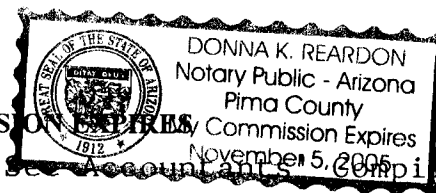
17TH

DAY OF

NOTARY PUBLIC NAME DONNA K. REARDON	
COUNTY NAME PIMA	
MONTH APRIL	2003

(SEAL)

MY COMMISSION



X
SIGNATURE OF NOTARY PUBLIC

see Accounts Compilation Report.

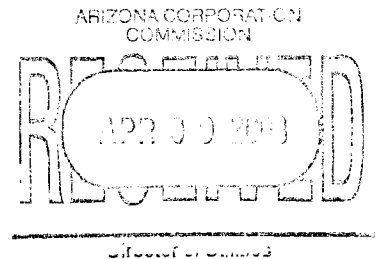
SEBY & ASSOCIATES, LTD.
CERTIFIED PUBLIC ACCOUNTANTS
POST OFFICE BOX 31090
TUCSON, ARIZONA 85751-1090

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RICHARD G. BABBITT, CPA
GLENN E. FYDRYCH, CPA

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TELEPHONE (520) 790-5500
FAX (520) 790-9899
EMAIL: cpa@seby.psemail.com

March 24, 2003

Compliance Section
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007



RE: Ray Water Company
Water Utility Annual
Report

Dear Sir/Madam:

Please find enclosed the Annual Report of Water Utility and the accountants' compilation report for the above captioned corporation for the calendar year 2002.

Yours very truly,

SEBY & ASSOCIATES, LTD.

A handwritten signature in cursive script, reading "Glenn E. Fydrich".

Glenn E. Fydrich, CPA

GEF:vb
Enclosure

SEBY & ASSOCIATES, LTD.
CERTIFIED PUBLIC ACCOUNTANTS
POST OFFICE BOX 31090
TUCSON, ARIZONA 85751-1090

M. J. SEBY, CPA
DOUGLAS W. LUBBEN, CPA
RICHARD G. BABBITT, CPA
GLENN E. FYDRYCH, CPA

NATIONAL BANK PLAZA
335 N. WILMOT RD., #400
TUCSON, ARIZONA 85711
TELEPHONE (520) 790-5500
FAX (520) 790-9899
EMAIL: cpa@seby.psemail.com

Ray Water Company
414 North Court
Tucson, AZ 85701

We have compiled the annual report to the Arizona Corporation Commission, Utilities Division, Compliance Section for the year ended December 31, 2002 for Ray Water Company included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting in the form prescribed by the Arizona Corporation Commission, Utilities Division, Compliance Section, information that is the representation of management. We have not audited or reviewed the financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

The financial and statistical information, including other disclosures, are presented in accordance with the requirements of the Arizona Corporation Commission, Utilities Division, Compliance Section, which differ from generally accepted accounting principles. Accordingly, the financial statements are not designed for those who are not informed about such differences.

Respectfully submitted,



SEBY & ASSOCIATES, LTD.
Certified Public Accountants

March 24, 2003

PIMA COUNTY TAX RECEIPT

FOR PAYMENT OF 2001 REAL ESTATE TAXES

STATE CODE NUMBER

140-06-0090

TOTAL TAX

\$24.26

DATE PAID

05/01/2002

Well # /

1ST HALF TAX PAID	\$0.00
1ST HALF INTEREST PAID	\$0.00
2ND HALF TAX PAID	\$12.13
2ND HALF INTEREST PAID	\$0.00
NSF FEE PAID	\$0.00
RECLAIMED REFUNDS PAID	\$0.00

TOTAL PAID	\$12.13
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BALANCE DUE	\$0.00
--------------------	---------------

LEGAL PROPERTY ADDRESS

MORTIMORE LOT 20 BLK 11
 TOTAL VALUE OF OPERATING PROPERTY
 GROUP #220
 A€
 (FORMERLY 139-09-0090)

THANK YOU FOR YOUR PAYMENT

Beth Ford
Pima County Treasurer
PIMA COUNTY, ARIZONA

RAY WATER CO
 ATTN: DORLEEN MALLIS
 414 N COURT AVE
 TUCSON AZ
 A€ 857010000

PIMA COUNTY TAX RECEIPT

FOR PAYMENT OF 2001 REAL ESTATE TAXES

STATE CODE NUMBER

140-35-1670

TOTAL TAX

\$37,151.00

DATE PAID

05/01/2002

1ST HALF TAX PAID \$0.00

1ST HALF INTEREST PAID \$0.00

Well #2

2ND HALF TAX PAID \$18,575.50

2ND HALF INTEREST PAID \$0.00

NSF FEE PAID \$0.00

RECLAIMED REFUNDS PAID \$0.00

TOTAL PAID \$18,575.50

BALANCE DUE \$0.00

LEGAL PROPERTY ADDRESS

CORONET PARK NO 1 LOT 164

A€

TOTAL VALUE OF OPERATING PROPERTY

TAXPAYER GROUP NO 220

(FORMERLY 139-33-1670)

THANK YOU FOR YOUR PAYMENT
Beth Ford
Pima County Treasurer
PIMA COUNTY, ARIZONA

 RAY WATER CO
 ATTN: DORLEEN MALLIS
 414 N COURT AVE
 TUCSON AZ
 A€ 857010000

PIMA COUNTY TAX RECEIPT

FOR PAYMENT OF 2001 REAL ESTATE TAXES

STATE CODE NUMBER

140-34-2750

TOTAL TAX

\$22.68

DATE PAID

05/01/2002

1ST HALF TAX PAID \$0.00

1ST HALF INTEREST PAID \$0.00

2ND HALF TAX PAID \$11.34

2ND HALF INTEREST PAID \$0.00

NSF FEE PAID \$0.00

RECLAIMED REFUNDS PAID \$0.00

Well #3

TOTAL PAID \$11.34

BALANCE DUE \$0.00

LEGAL PROPERTY ADDRESS

RAY AMENDED N55' OF LOT 16 EXC TRI II
THEREOF BLK 12 (WELLSITE) TOTAL VAL
OPERATING PROPERTY TAXPAYER GROU
Â€
(FORMERLY 139-32-146A)

THANK YOU FOR YOUR PAYMENT

Beth Ford
Pima County Treasurer
PIMA COUNTY, ARIZONA

R & M REAL ESTATE LIMITED PARTNERSHIP
ATTN: MALLIS & ROSENBAUM (RAY WA)
414 N COURT AVE
TUCSON AZ
Â€ 857010000

PIMA COUNTY TAX RECEIPT

FOR PAYMENT OF 2001 REAL ESTATE TAXES

STATE CODE NUMBER

140-34-0280

TOTAL TAX

\$22.68

DATE PAID

05/01/2002

Well #4

1ST HALF TAX PAID	\$0.00
1ST HALF INTEREST PAID	\$0.00
2ND HALF TAX PAID	\$11.34
2ND HALF INTEREST PAID	\$0.00
NSF FEE PAID	\$0.00
RECLAIMED REFUNDS PAID	\$0.00

TOTAL PAID	\$11.34
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BALANCE DUE	\$0.00
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LEGAL PROPERTY ADDRESS

RAY AMENDED LOT 1 BLK 5
 RAY WATER COMPANY TOTAL VALUE 0
 PROPERTY TAXPAYER GROUP NO 220
 A€
 (FORMERLY 139-32-0280)

THANK YOU FOR YOUR PAYMENT

Beth Ford
Pima County Treasurer
PIMA COUNTY, ARIZONA

R & M REAL ESTATE LIMITED PARTNERSHIP
 ATTN: MALLIS & ROSENBAUM (RAY WATER)
 414 N COURT AVE
 TUCSON AZ
 A€ 857010000

PIMA COUNTY TAX RECEIPT

FOR PAYMENT OF 2001 REAL ESTATE TAXES

STATE CODE NUMBER

140-35-2050

TOTAL TAX

\$135.96

DATE PAID

05/01/2002

1ST HALF TAX PAID \$0.00

1ST HALF INTEREST PAID \$0.00

2ND HALF TAX PAID \$67.98

2ND HALF INTEREST PAID \$0.00

NSF FEE PAID \$0.00

RECLAIMED REFUNDS PAID \$0.00

TOTAL PAID \$67.98

BALANCE DUE \$0.00

Will #5

LEGAL PROPERTY ADDRESS

CORONET PARK NO 2 PARCEL 50' X 75'

BLK 2

TOTAL VALUE OF OPERATING PROPERTY

GROUP NO 220

(FORMERLY 139-33-2050)

THANK YOU FOR YOUR PAYMENT
Beth Ford
Pima County Treasurer
PIMA COUNTY, ARIZONA

 RAY WATER CO
 ATTN: DORLEEN MALLIS
 414 N COURT AVE
 TUCSON AZ
 AE 857010000

PIMA COUNTY TAX RECEIPT

FOR PAYMENT OF 2001 REAL ESTATE TAXES

STATE CODE NUMBER

140-34-0180

TOTAL TAX

\$22.68

DATE PAID

05/01/2002

1ST HALF TAX PAID \$0.00

1ST HALF INTEREST PAID \$0.00

2ND HALF TAX PAID \$11.34

2ND HALF INTEREST PAID \$0.00

NSF FEE PAID \$0.00

RECLAIMED REFUNDS PAID \$0.00

TOTAL PAID \$11.34

BALANCE DUE \$0.00

Well #6

LEGAL PROPERTY ADDRESS

RAY AMENDED LOT 3 BLK 4
 RAY WATER COMPANY TOTAL VALUE 0
 PROPERTY TAXPAYER GROUP NO 220
 A€
 (FORMERLY 139-32-0180)

THANK YOU FOR YOUR PAYMENT

Beth Ford
Pima County Treasurer
PIMA COUNTY, ARIZONA

R & M REAL ESTATE LIMITED PARTNERSHIP
 ATTN: MALLIS & ROSENBAUM (RAY WATER)
 414 N COURT AVE
 TUCSON AZ
 A€ 857010000

PIMA COUNTY TAX RECEIPT

FOR PAYMENT OF 2001 REAL ESTATE TAXES

STATE CODE NUMBER

140-34-0810

TOTAL TAX

\$22.68

DATE PAID

05/01/2002

Ray Wata Co lot

1ST HALF TAX PAID \$0.00

1ST HALF INTEREST PAID \$0.00

2ND HALF TAX PAID \$11.34

2ND HALF INTEREST PAID \$0.00

NSF FEE PAID \$0.00

RECLAIMED REFUNDS PAID \$0.00

TOTAL PAID \$11.34

BALANCE DUE \$0.00

LEGAL PROPERTY ADDRESS

RAY AMENDED THAT PT OF LOT 9 BLK 1:
SWAN RD & PT ABAND RD (ABAND 7562/
(FORMERLY 139-32-185B) TOTAL VALUE (
PROPERTY-TAXPAYER GROUP NO 55-220

THANK YOU FOR YOUR PAYMENT

Beth Ford
Pima County Treasurer
PIMA COUNTY, ARIZONA

R & M REAL ESTATE LIMITED PARTNERSI
ATTN: MALLIS & ROSENBAUM (RAY WAT
414 N COURT
TUCSON AZ
857010000

1-85

RAY WATER COMPANY, INC.
 414 N. COURT AVENUE PH. 623-1332
 TUCSON, AZ 85701

14285

402 etal

140-34-810

DATE 10/31/02

91-527 2042
1221

PAY TO THE ORDER OF Pima County Treasurer

THE SUM 18079 DOLLARS 03 CTS

\$18079.03

DOLLARS

WELLS FARGO
 Wells Fargo Bank Arizona, N.A.
 145 E. 22nd St.
 Tucson, AZ 85713
 www.wellsfargo.com

FOR Dorleen Mallin

⑈014285⑈ ⑈122105278⑈0728387424⑈

⑈0001807903⑈

WFB TEMPE, AZ 11042002
 TRACER# 3934 001
 1221-0527-8
 0033210100

NOV - 1 02 1

BANK OF AMERICA N.A. THE
 1221017064 12/7/02 96 P07
 40000412724156 11/01/02
 375000511118

0087 95251

THE CREDIT OF
 BETH FORD
 COUNTY TREASURER
 PIMA COUNTY, ARIZONA
 412-724156